

**Before the  
Federal Communications Commission  
Washington, D.C. 20554**

In the Matter of:	)	
	)	
Lifeline and Link Up Reform and Modernization	)	WC Docket No. 11-42
	)	
Lifeline and Link Up	)	WC Docket NO. 03-109
	)	
Federal-State Joint Board on Universal Service	)	CC Docket No. 96-45
	)	
Advancing Broadband Availability Through Digital Literacy Training	)	WC Docket No. 12-23
	)	

**AMENDMENT TO THE PETITION AND CERTIFICATION OF THE  
VERMONT DEPARTMENT OF PUBLIC SERVICE  
TO OPT-OUT OF THE NATIONAL LIFELINE DATABASE**

Dated: February 4, 2013

## **INTRODUCTION**

As the state Lifeline administrator, the Vermont Department of Public Service respectfully submits this amendment to its November 1, 2012 Petition to Opt-Out of the National Lifeline Accountability Database established by the Federal Communications Commission (“FCC”) in the Lifeline Reform Order.<sup>1</sup>

Specifically, this filing provides clarification of the minimum requirements for states seeking to opt-out of the National Database, as outlined in the Wireline Competition Bureau’s Public Notice, released on October 11, 2012.

## **OVERVIEW OF THE VERMONT LIFELINE PROCESS AND SYSTEMS**

Because the Vermont Lifeline includes a state add-on of no less than \$3.50 per eligible Lifeline subscriber, Vermont’s eligibility process was established in a manner to ensure only income eligible subscribers received the Lifeline benefit and that only one benefit per household was provided. This process was established by piggy-backing the same system utilized to provide public benefits, including Food Stamps, Supplemental Nutrition Assistance Program, Medicaid, Federal Public Housing Assistance (Section 8), and other state and federal programs.

Prior to June 1, 2012, an application for any state program administered through the Vermont Department for Children and Families (“DCF”) would be screened for income eligibility into the Lifeline Program. For those applicants determined to be eligible in households not currently receiving the Lifeline benefit, enrollment was automatic and the subscribers’ service provider would be notified based on the provided information. Since June 1, 2012, eligible applicants are required to submit a Lifeline Certification Form prior to receiving the Lifeline benefit and are not provided the benefit unless and until receipt and review of the Certification Form by DCF.

For applicants not enrolled in a public benefits program, the Vermont process utilizes the assistance of the Department of Taxes to verify the applicant’s reported income. Utilizing this method,

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<sup>1</sup> *Lifeline and Link up Reform and Modernization et al*, WC Dkt Nos. 11-42 et al, CC Dkt. No. 96-45, Report and Order and Further Notice of Proposed Rulemaking, 27 FCC Rcd 6656 (2012).

Vermont is able to ensure that no over income applicant is included in the Lifeline program<sup>2</sup>. Social security numbers, a key component in the process of determining eligibility, ensuring no duplication of service and identifying the applicant, is not provided to the ETCs.

Annual recertification in the Lifeline Program has been required since the initiation of the program in Vermont. The Certification and Recertification form have historically been included in the Vermont State Income Tax Booklet available to all Vermonters. The form has also been available upon request from DCF and through the state's Senior HelpLine, a service of the state's five Area Agencies on Aging ("AAA"). Due to changes to the 2012 form, resulting in a multi-page form, an instruction sheet is included in this year's Vermont Tax Booklet with specific instructions on where and how to obtain the form. Currently, Vermont is operating under a limited waiver and is not required to submit Certification and Re-Certification Forms to the ETCs. In order to comply with this requirement, the forms will need to be expanded with additional pages, with some pages specifically identified as information to be distributed directly to the ETCs. This will allow changes to be made without the additional cost and burden of duplicate printing efforts on behalf of the state this year, but will also result in a cumbersome form which will require the applicant to submit duplicate information on a multi-page form.

The ETCs have several obligations under the Vermont process, as well. On a monthly basis, DCF submits to each ETC an electronic report that includes information regarding any additions or deletions of eligibility to the Lifeline program. The report provides information on each customer's name, address, phone number, and effective date of benefit. The ETCs are required to review and submit a reply report with any known changes, including disconnections, account changes, name changes, or address changes.

Quarterly, DCF provides each ETC with a full report of all currently eligible subscribers who have selected the specific company as their provider of choice. The ETCs are only required to respond to this quarterly report should a reported change be necessary.

Until 2012, only landline providers participated in the Lifeline Program in Vermont. Currently, there are two prepaid wireless providers with ETC designation in Vermont and a third pending. While no subscriber has applied for a Lifeline benefit for any of the prepaid wireless companies, it is anticipated that the companies will at some point begin an aggressive marketing campaign. The

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<sup>2</sup> In Vermont, the Lifeline benefit is available to those under 65 years of age as of June 15th, whose annual gross income is less than 150% of FPL and for those 65 years of age or older as of June 15<sup>th</sup>, whose annual gross income is less than 175% of FPL.

Vermont system is well equipped to handle the increased volume in applications. At the height of the program in Vermont, DCF was handling well over 360,000 applications annually; for a variety of reasons, that figure has dropped to currently approximately 250,000 annually. The capacity to handle the additional volume has remained and would allow DCF to respond to a sudden increase with no additional resources or time delay necessary.

## **RESPONSES TO THE OPT-OUT REQUIREMENTS AND OUTLINE OF CAPABILITIES OF THE VERMONT SYSTEM**

***1. The system on which the opt-out request is based must be able to facilitate a process to scrub individual and household duplicates from ETCs' subscriber rolls. The state system must be sufficiently capable of handling whatever functions, if any, are necessary to implement the scrubbing process. The state should file any data in its possession regarding the individual and/or household duplicate rate in its state to demonstrate that the process in the state has, in fact, successfully scrubbed individual and household duplicates from ETCs' subscriber rolls.***

Since the inception of the Lifeline Program in Vermont, the system on which Vermont relies to process and enroll subscribers has had a process for identifying duplicate applicants and denying the duplication to occur. Applicants have always been required to provide their name, spouse or civil union partner's name, name as listed on the phone bill, address, telephone number, social security, social security number of spouse or civil union partner, date of birth for applicant and spouse or civil union partner, and telephone provider of choice. As of June 1, 2012, applicants are now required to also include billing address, street address, number of people in household, and state whether their address is a permanent or temporary address. The social security number is then utilized for tracking in the Access database by DCF staff, ensuring there can be no duplicate benefits to individuals. Access allows the DCF staff to cross reference based on address, so any other individuals in the Access system, either receiving the Lifeline benefit will be identified and the application for the Lifeline benefit will be denied on the basis of duplication, if necessary.

Additionally, the ETCs are required to review monthly reports from DCF, which provides information on new subscribers who have been determined to be eligible for the benefit and who have selected the specific ETC as their provider, and any company specific deletions from the program. The ETCs are responsible for reviewing the list, adding the benefit to the subscriber's account, and notifying DCF of any potential identified issues for further investigation by DCF.

Beginning January 1, 2012, the annual Re-Certification process began in Vermont. Any applicant not re-certified by June 1<sup>st</sup> was notified by mail of impending de-enrollment and was provided notice of termination of benefit by August 15<sup>th</sup> should the re-certification process not be completed. As this is an annual process in Vermont and has been since the inception of the program, Vermont de-enrolls relatively few as a result of a subscriber's failure to re-certify. As of August 15, 2012, only 30 subscribers were de-enrolled due to failure to re-certify and the majority of those re-certified within 30 days of the initial de-enrollment date.

***2. The system on which the opt-out request is based must prevent ETCs from signing up individuals or households which are already receiving a Lifeline benefit. This includes a means for ETCs and/or other authorized users (e.g., state Administrators) to query the system prior to enrolling the subscriber to determine if the subscriber or anyone in the subscriber's household is already receiving duplicative support.***

In Vermont, enrollment is done exclusively through the state administrator and ETCs are not allowed to enroll customers directly. Rather, a Lifeline Certification Form is completed and submitted either directly to DCF or to the Department of Taxes, at which time the process of verification of eligibility begins, including determination that the applicant is not currently receiving a Lifeline benefit and that no one else in the household is currently enrolled in the Lifeline program through use of social security numbers and address verifications.

In the event a currently enrolled subscriber submits an application for service with another provider, the benefit is transferred to the newer selected provider, with notice to provider to add the benefit to the subscriber's service and notice to the former provider to de-enroll the subscriber from the Lifeline program. This allows a subscriber to select a new provider without losing the benefit, but also eliminates the potential for duplicative benefit.

The current system also allows for DCF staff to identify a duplicate application for the same household, as explained in answer to #1 above.

While DCF generates monthly reports to the ETCs, on the 5<sup>th</sup> of each month, which provides details for additions, deletions and changes for each subscriber, an application for benefits is processed and the eligibility determination made within one business day of receipt. An ETC can submit an inquiry to DCF on an applicant's status at any time, thus allowing an ETC to enroll a subscriber prior to the receipt of the monthly report.

***3. The system on which the opt-out request is based must have a mean of standardizing and verifying addresses submitted to the system. The system and any related processes must also be able to accommodate non-traditional addresses, such as addresses on Tribal lands not recognized by the U.S. Postal Service.***

While currently Vermont does not have non-traditional addresses unrecognized by the U.S. Postal Service, the DCF Access relies on E-911 address system and can standardize and verify any address currently included in the E-911 system.

***4. The system on which the opt-out request is based must have a means of verifying a subscriber's identity at the time a system query is made. In response to the query, the system must indicate whether the subscriber's identity can be verified, and, if not, provide error codes to indicate why the identity could not be verified.***

Verification of a subscriber's identity is handled during the application process. If a subscriber currently receives public benefits administered or tracked by DCF, the subscriber's identity is verified through their individual file in Access. DCF is able to utilize the data supplied by the applicant to determine that the identity matches the identity of the subscriber contained in Access and should the data not match, DCF investigate the discrepancy(ies) by reaching out to the applicant and requesting further information which can support verification of identity.

In the event the application is based on income and is not submitted by a current recipient of DCF services, the Department of Taxes utilizes name, social security number, address, and Department of Tax's records to verify identity prior to submission to DCF.

***5. The system on which the opt-out request is based must include a dispute resolution process to ensure that subscribers are not wrongfully denied benefits, including those cases where a subscriber fails the automated identity check or where the subscriber's address is incapable of being recognized by the U.S. Postal System.***

Subscribers who believe they have wrongly been denied benefits are notified of the opportunity to dispute the basis of the denial first through DCF and then through the Department of Public Service, Consumer Affairs & Public Information Division. Each denied subscriber has the options of providing further documentation of identity, residency, household composition, or other basis for denial. To date, no subscriber has disputed the denial of benefits as determined by DCF and the Department of Taxes.

***6. The system on which the opt-out request is based must be able to receive and process information including the name, address and phone number of each Lifeline subscriber.***

The Access database is able to receive and process information, including name, address, and phone number of each Lifeline subscriber as submitted by the subscriber. Through a monthly and quarterly exchange of information with each ETC, there is constant and consistent verification of information between the ETCs and DCF of the above information.

***7. The system on which the opt-out request is based must be able to capture the address and date of service initiation to which Tribal Link Up support applied if Link Up support is offered in the state.***

This requirement is not currently applicable to Vermont.

***8. The system on which the opt-out request is based must have a process to manage “exceptions” to the definition of “duplicative support” rules and to deal with situations, such as non-standardized addresses, that may not be able to be resolved through mechanized means.***

DCF currently has the capacity to manually review each application that may be initially denied due to ineligibility. Through this manual process, DCF staff review for possible exceptions to the household rule, duplicative support, or non-standardized addresses. DCF personnel have the authority to override any denials based on the manual review and proper documentation.

***9. The system on which the opt-out request is based must retain all data related to consumers who have received Lifeline and Link Up for ten years after the consumer receives Link Up or de-enrolls from Lifeline.***

DCF retains all records for a period of not less than ten years after the subscribers de-enrollment from a program, including Lifeline. DCF will continue this practice.

***10. The system on which the opt-out request is based must have the capability of receiving updates from ETCs both in real-time and in periodic batches.***

DCF provides monthly reports to each ETC with specific subscriber information, including any additions or deletions. DCF relies on each ETC to review each monthly report and submit reply reports which may contain information regarding disconnection of service, changes to account information such

as phone numbers or service address, or any other pertinent information. DCF maintains daily contact with ETCs who may submit information in real-time, but no ETC has direct access to the DCF Access database. Because an ETC cannot enroll a subscriber until approval by DCF, any updates by the ETCs will be reviewed and entered into the Access system by a DCF staff person.

***11. The system on which the opt-out request is based must include safeguards to ensure that the data in the system is only used to check for duplicative support and related functions and for no other purpose, including marketing or subscriber retention. In addition, the state should demonstrate that the system includes sufficient safeguards to protect proprietary and personal information in the system from theft or loss.***

The system currently in place in Vermont is managed by DCF, which is under strict state and federal regulations pertaining to the confidential and secure treatment of data and information. DCF is not allowed to market or share for marketing any information obtained in the process of application for public benefits, including Lifeline. DCF maintains state of the art safeguards such as a strong firewall, restricted access, vigorous training for staff, and frequent back up to a remote location served by the state's Department of Information and Innovation.

***12. The system on which the opt-out request is based will permit the FCC and USAC to access records necessary for oversight and for audits.***

Upon request, Vermont Lifeline records will be made available by the Department for Children and Families to the FCC and USAC for oversight and for audits.

Prior to June 1, 2012, DCF maintained all Lifeline as part of Access, but records were not easily extracted without manual intervention. In response to the FCC Reform and Modernization Order, DCF has made changes to the process which will allow for more immediate retrieval of information pertaining to Lifeline and Lifeline subscribers.

## **SUMMARY**

The long-standing process and system in place in Vermont has ensured few incidents of duplication or fraud in the many years the program has been in place and in each of those instances, the duplication or fraud has been detected quickly, mitigating the impact to the program almost



immediately. The process has allowed Vermont to achieve the goals of the Lifeline Reform and Modernization from the beginning of the implementation of the program in Vermont. To change the process in Vermont now would result in the elimination of an application process that utilizes both DCF and the Department of Taxes for verification of not just duplication and fraud, but also eligibility for Lifeline benefits for recipients of other public benefit programs. Vermont has utilized the “one-stop” shopping for all public benefits program, including a recently enacted low-income electric assistance program and a soon to be enacted low-income natural gas assistance program.

To change the process in Vermont now would result in no reduction in duplication of benefit or fraud, would result in no savings to the Lifeline Program, and would circumvent the process in place in Vermont that utilizes, in part, DCF and the Department of Taxes for oversight of the Vermont add-on benefit. Without the safeguards of a state administrator, Vermont would have no verifiable oversight of the ETCs state add-on and state reimbursement requests, thereby setting the stage for the likelihood of a repeal of the Vermont program, resulting in a negative economic impact to income sensitive Vermonters relying on the Lifeline benefit. For some the loss of the additional state add-on may mean the difference between maintaining phone service or not.

For these reasons expressed above and for the reason that the Vermont system has long achieved the goal of the FCC Reform and Modernization, Vermont respectfully requests that this wavier for opting out of the National Database be granted.

Respectfully submitted,  
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